



Washington D.C. 20505

23 November 1987

OCA 87-5840

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Mr. James Frey
Assistant Director for Legislative
Reference
Office of Management and Budget
Washington, D.C. 29503

Dear Mr. Frey:

Enclosed is a report on S. 42, the Federal Employees
Optional Early Retirement Act of 1987. The report was
requested by Senator Glenn.

I am requesting that you review the report to determine
whether it is consistent with the position of the Adminis-
tration program. I would appreciate an expeditious review of
this report because Senator Glenn is most anxious to receive
our views.

Sincerely,



Enclosure

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The Honorable John Glenn
Chairman
Committee on Governmental Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Director has asked me to respond on his behalf to your request for the views of the Central Intelligence Agency on S. 42, the Federal Employees Optional Early Retirement Act of 1987.

Let me say at the outset that CIA recognizes that the intent of this bill is to lower federal employment in an orderly and humane manner without disrupting the ability of federal agencies to perform their mission. However, passage of this bill would have a serious, negative effect upon the Agency's ability to effectively perform its intelligence functions. Most of the employees who would become eligible for retirement under this bill are at the GS-14, GS-15 and the Senior Intelligence Service levels. These senior officers, by reason of their years of experience, possess key and irreplaceable intelligence skills which are essential for the Agency's sustained ability to collect, analyze, and manage intelligence programs and operations. The Agency can ill-afford the possible widespread loss of such valuable expertise. Although bill attempts to lessen the impact of loss of key employees by providing authority for the President to exempt an occupational category, location or project from the early retirement provisions of the bill, the exemption authority is too restricted to alleviate the concerns we have with the legislation. The Agency must retain the authority and flexibility to determine the best methods by which to lower employment in a manner that does not hamper or harm our intelligence mission.

There are two other provisions contained in the bill that cause particular concern. Section 10(b) provides for the Comptroller General to audit the records of an agency of the Federal Government to determine the level of compliance with requirements not to obligate or expend for any purpose outlays

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saved by reason of this bill. Given the sensitivity of Agency records, I believe that the appropriate body to review and audit agency records is already constituted in the intelligence oversight committees. The Agency therefore should be exempted from this provision. Section 11, mandating that the Agency provide OPM certain information for purposes of OPM making a report to Congress, is also of concern to the Agency because it would require the Agency to release potentially sensitive information. Thus, I suggest that the provision be amended to make clear that the authority of the Director of Office of Personnel Management to obtain information is only to the extent permitted by law.

I appreciate your asking for my views and hope that the concerns I have raised will be carefully weighed and find expression in any subsequent action on S. 42.

The Office of Management and Budget advises that from the standpoint of the Administration's program, there is no objection to the submission of this report for consideration of the Committee.

Sincerely,

David D. Gries
Director of Congressional Affairs

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